

**Illinois Department of Revenue
Regulations**

Title 86 Part 190 Section 190.101 Description, Rate and Base of the Tax

TITLE 86: REVENUE

**PART 190
AUTOMOBILE RENTING USE TAX**

SUBPART A: NATURE OF TAX

Section 190.101 Description, Rate and Base of the Tax

- a) The Automobile Renting Use Tax (Section 4 of the Automobile Renting Occupation and Use Tax Act (the Act) (Ill. Rev. Stat. 1991, ch. 120, pars. 1701 et seq.)) is a tax imposed upon the privilege of using, in this State, an automobile rented from an automobile rentor under lease terms of one year or less. The tax is imposed at the rate of 5% of the rental price paid to the rentor.
- b) "Use" means any incident of control by a rentee, including the possession or the right to possession, over an automobile pursuant to a rental agreement for that automobile under a rental term of one year or less.
- c) However, if the automobile rentor from whom the automobile is rented would not be taxable under the Act despite all elements of the rental transaction occurring in Illinois, then the tax imposed by the Act shall not apply to the use of the rented automobile in this State. For example, a rentee of an automobile from a rentor who qualifies as an isolated or occasional rentor so as not to incur Automobile Renting Occupation Tax liability does not incur Automobile Renting Use Tax liability when using that rented automobile in Illinois.

(Source: Amended at 16 Ill. Reg. 4867, effective March 12, 1992)